

affect (raising or depressing) market values as do genuine investing bargains, yet their effect is transient; the result upon general prices produced by genuine investments is stable and permanent, while the influence of speculative dealings, though as real for the time being, is fleeting and vanishes.

We may justly deplore the existence of any excessive and demoralising speculation, which in an extreme form virtually merges into gambling—but the reader will perceive the impossibility, by the creation of rules, of prevention. When a bargain is attempted, who can explore the mind of the bargainer and determine whether the proposed transaction is genuine investing or trusting to chance? No external regulation can ever fit the possibilities of the case; the only standard must be an internal one of entering into no bargain, speculative or otherwise, which the operator feels he may not be able, under all reasonable conditions, honourably and minutely to fulfil. And even could it be decided at the outset that a suggested bargain were purely speculative, who can accurately draw the dividing line between a reprehensible gamble and that form of speculation which will hereafter be shown to be legitimate and beneficial to the public? The statement is startling, but it has been estimated by competent judges that only about 5 per cent of the entire transactions upon the Stock Exchange consist of genuine investment bargains.

It may further be noted that the process of continuing or carrying over a bargain, in addition to its manifest practical serviceableness at times, quite independent of any professed speculative element, is a reasonable course. The grant of a fortnight only—the account period—for determining a person's solvency (however valuable it may be as a test) might, under conceivable circumstances, prove most unjustly disastrous to a member of the highest character and of sound financial standing were there not the safeguard of this power of "continuing." It is quite possible that a stable and useful position might, in consequence of some sudden and unexpected lock-up of funds, be placed in serious peril, if not irretrievably

ruined, were not the possibility of retrieval, by the aid of extended time, provided through the machinery of temporarily postponing completion.